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8 UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
9 AT TACOMA

10 JAMES P.,

11 Plaintiff,

12 v.

13 COMMISSIONER OF SOCIAL
14 SECURITY,

15 Defendant.

CASE NO. 2:18-CV-01675-DWC

ORDER REVERSING AND
REMANDING DEFENDANT'S
DECISION TO DENY BENEFITS

16 Plaintiff filed this action, pursuant to 42 U.S.C. § 405(g), for judicial review of
17 Defendant's denial of Plaintiff's applications for supplemental security income ("SSI") and
18 disability insurance benefits ("DIB"). Pursuant to 28 U.S.C. § 636(c), Federal Rule of Civil
19 Procedure 73 and Local Rule MJR 13, the parties have consented to have this matter heard by
20 the undersigned Magistrate Judge. *See* Dkt. 2.

21 After considering the record, the Court concludes the Administrative Law Judge ("ALJ")
22 erred when she failed to provide specific and legitimate reasons, supported by substantial
23 evidence, to discount medical opinion evidence from Dr. Wayne Hwang, M.D.; Dr. Myrna
24 Palasi, M.D.; Dr. Margot Schwartz, M.D.; and Dr. Tasmyn Bowes, Psy.D. Had the ALJ properly

ORDER REVERSING AND REMANDING
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1 considered these medical opinions, the residual functional capacity (“RFC”) may have included
2 additional limitations. The ALJ’s errors are therefore not harmless, and this matter is reversed
3 and remanded pursuant to sentence four of 42 U.S.C. § 405(g) to the Social Security
4 Commissioner (“Commissioner”) for further proceedings consistent with this Order.

5 FACTUAL AND PROCEDURAL HISTORY

6 On May 22, 2015, Plaintiff filed applications for DIB and SSI, alleging disability as of
7 June 30, 2007. *See* Dkt. 8, Administrative Record (“AR”) 16. Plaintiff subsequently amended the
8 alleged onset date to May 22, 2015. *See* AR 16. The applications were denied upon initial
9 administrative review and on reconsideration. *See* AR 16. ALJ Stephanie Martz held a hearing
10 on December 5, 2017. AR 36-67. In a decision dated February 7, 2018, the ALJ determined
11 Plaintiff to be not disabled. AR 13-35. Plaintiff’s request for review of the ALJ’s decision was
12 denied by the Appeals Council, making the ALJ’s decision the final decision of the
13 Commissioner. *See* AR 1-7; 20 C.F.R. §§ 404.981, 416.1481.

14 In Plaintiff’s Opening Brief, Plaintiff maintains the ALJ erred: (1) by failing to provide
15 legally sufficient reasons to discount opinion evidence from Drs. Hwang, Palasi, Schwartz, and
16 Bowes, and Ms. Meagan Collins, LICSWA; and (2) in her assessment of Plaintiff’s depression at
17 Step Two of the sequential evaluation process. Dkt. 10, pp. 2-17. Plaintiff requests the Court
18 remand this matter for an immediate award of benefits. *Id.* at p. 18.

19 STANDARD OF REVIEW

20 Pursuant to 42 U.S.C. § 405(g), this Court may set aside the Commissioner’s denial of
21 social security benefits if the ALJ’s findings are based on legal error or not supported by
22 substantial evidence in the record as a whole. *Bayliss v. Barnhart*, 427 F.3d 1211, 1214 n.1 (9th
23 Cir. 2005) (citing *Tidwell v. Apfel*, 161 F.3d 599, 601 (9th Cir. 1999)).

DISCUSSION

I. Whether the ALJ properly considered the opinion evidence.

Plaintiff contends the ALJ failed to properly reject opinion evidence from Drs. Hwang, Palasi, Schwartz, and Bowes, and Ms. Collins. Dkt. 10, pp. 2-14.

In assessing acceptable medical sources, an ALJ must provide “clear and convincing” reasons for rejecting the uncontradicted opinion of either a treating or examining physician. *Lester v. Chater*, 81 F.3d 821, 830 (9th Cir. 1995) (citing *Pitzer v. Sullivan*, 908 F.2d 502, 506 (9th Cir. 1990)); *Embrey v. Bowen*, 849 F.2d 418, 422 (9th Cir. 1988)). When a treating or examining physician’s opinion is contradicted, the opinion can be rejected “for specific and legitimate reasons that are supported by substantial evidence in the record.” *Lester*, 81 F.3d at 830-31 (citing *Andrews v. Shalala*, 53 F.3d 1035, 1043 (9th Cir. 1995); *Murray v. Heckler*, 722 F.2d 499, 502 (9th Cir. 1983)). The ALJ can accomplish this by “setting out a detailed and thorough summary of the facts and conflicting clinical evidence, stating his interpretation thereof, and making findings.” *Reddick v. Chater*, 157 F.3d 715, 725 (9th Cir. 1998) (citing *Magallanes v. Bowen*, 881 F.2d 747, 751 (9th Cir. 1989)).

“Other medical source” testimony, which the Ninth Circuit treats as lay witness testimony, “is competent evidence an ALJ must take into account,” unless the ALJ “expressly determines to disregard such testimony and gives reasons germane to each witness for doing so.” *Lewis v. Apfel*, 236 F.3d 503, 511 (9th Cir. 2001); *see also Turner v. Comm’r of Soc. Sec. Admin.*, 613 F.3d 1217, 1224 (9th Cir. 2010). In rejecting lay testimony, the ALJ need not cite the specific record as long as “arguably germane reasons” for dismissing the testimony are noted. *Lewis*, 236 F.3d at 51

1 A. Dr. Hwang

2 Plaintiff challenges the ALJ's assessment of the opinion evidence from Plaintiff's treating
3 cardiologist, Dr. Hwang. Dkt. 10, pp. 12-13.

4 Dr. Hwang completed a medical assessment of Plaintiff's ability to do physical work-
5 related activities on December 15, 2017. AR 1155-58. On the opinion form, Dr. Hwang noted his
6 treatment history with Plaintiff included treating Plaintiff after his heart attack and managing his
7 "ongoing chest pains." AR 1155. Dr. Hwang opined Plaintiff is limited to performing sedentary
8 work. AR 1155. Dr. Hwang noted he based this opinion on Plaintiff's "ongoing" symptoms despite
9 medical treatment for chest pains. AR 1155. Dr. Hwang determined Plaintiff can stand and walk
10 for 2-4 hours, and sit for less than 4 hours, in an 8-hour workday. AR 1156. Dr. Hwang found
11 Plaintiff limited in his ability to push and pull in his lower extremities due to neuropathy in
12 Plaintiff's feet. AR 1156. Additionally, Dr. Hwang opined Plaintiff can occasionally climb,
13 balance, stoop, crouch, kneel, and crawl because of ongoing chest pains. *See* AR 1157. Dr. Hwang
14 determined Plaintiff has environmental restrictions caused by his impairments, including
15 restrictions in his ability to tolerate moving machinery, temperature extremes, dust, noise,
16 humidity, and vibrations. AR 1157. Finally, Dr. Hwang noted that while he found it "almost
17 impossible" to answer whether Plaintiff could sustain full-time employment, he believed Plaintiff
18 "would have unpredictable reliability" based on his conditions, such as "sudden unexplained and
19 unexpected chest pains[.]" AR 1158.

20 The ALJ assigned "little weight" to Dr. Hwang's opinion because:

21 (1) While [Dr. Hwang] opines the claimant is limited to sedentary work, his last
22 treatment note from early 2017 showed that he assessed the claimant with only mild
23 cardiac symptoms. (2) Dr. Hwang's records show no evidence of neuropathy (3)
24 and do not support the drastic limitations he notes in this assessment.

AR 27 (numbering added).

1 First, the ALJ rejected Dr. Hwang's assessment because she found Dr. Hwang's last
2 treatment note showed he assessed Plaintiff "with only mild cardiac symptoms." AR 27. An ALJ
3 may reject an opinion that is "inadequately supported by clinical findings." *Bayliss*, 427 F.3d at
4 1216 (citing *Tonapetyan v. Halter*, 242 F.3d 1144, 1149 (9th Cir. 2001)). Regardless, the ALJ's
5 reasons for discounting the doctor must be supported by substantial evidence in the record. *See*
6 *Bayliss*, 427 F.3d at 1214 n.1, 1216.

7 In this case, though the ALJ failed to cite or identify the date of Dr. Hwang's "last
8 treatment note from early 2017," the parties suggest – and the Court agrees – Dr. Hwang's last
9 treatment notes are from January 27, 2017. *See* AR 1048-52; Dkt. 10, pp. 12-13; Dkt. 11, pp. 6-7.
10 In this treatment note, Dr. Hwang noted Plaintiff continued to experience chest pain, which
11 Plaintiff "describe[d] as discomfort in general, tightness," and as occurring "with exertion." AR
12 1048. Dr. Hwang noted the chest pain occurred "even with mild activities" and Plaintiff
13 expressed that the chest pain was "lifestyle limiting." AR 1048. After a physical examination of
14 Plaintiff, Dr. Hwang described data from prior stress tests and echocardiograms of Plaintiff's
15 heart. *See* AR 1051. Dr. Hwang noted, in part, that Plaintiff's last stress test from June 2016
16 indicated "[i]ntermediate risk," but infarct/ischemia¹ had "escalat[ed] since then." AR 1051.

17 Notably, in contrast to the ALJ's finding, this treatment note does not show Dr. Hwang
18 assessed Plaintiff with "mild" cardiac symptoms. *See* AR 27, 1048-51. Rather, Dr. Hwang
19 remarked Plaintiff was experiencing chest pain on exertion, and some aspects of Plaintiff's heart
20 had escalated since 2016. *See* AR 1051. As Dr. Hwang did not, as the ALJ found, assess Plaintiff
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23 ¹ Infarct is "area of necrosis resulting from a sudden insufficiency of arterial or venous blood supply," and
24 ischemia is a "[l]ocal loss of blood supply due to mechanical obstruction . . . of the blood vessel." STEDMANS
MEDICAL DICTIONARY 443430, 457640 (2014)

1 with only “mild” cardiac symptoms, the Court finds this reason from the ALJ not supported by
2 substantial evidence in the record.

3 Defendant, citing information from the New York Heart Association (“NYHA”), argues
4 the ALJ properly found Plaintiff’s cardiac symptoms were mild because Dr. Hwang assessed his
5 cardiac impairment as “Class II” pursuant to NYHA criteria. Dkt. 11, pp. 6-7 (citing AR 1051).
6 Yet the ALJ did not rely on or reference the NYHA criteria in finding Dr. Hwang assessed
7 Plaintiff with mild cardiac symptoms. *See* AR 27. The Court cannot “affirm the decision of an
8 agency on a ground the agency did not invoke in making its decision.” *Stout v. Comm’r of Soc.*
9 *Sec. Admin.*, 454 F.3d 1050, 1054 (9th Cir. 2006) (internal quotation marks and citation omitted).
10 “Long-standing principles of administrative law require us to review the ALJ’s decision based on
11 the reasoning and actual findings offered by the ALJ – not *post hoc* rationalizations that attempt
12 to intuit what the adjudicator may have been thinking.” *Bray v. Comm’r of Soc. Sec. Admin.*, 554
13 F.3d 1219, 1225-26 (9th Cir. 2009) (emphasis in original) (citing *SEC v. Chenery Corp.*, 332
14 U.S. 194, 196 (1947)) (other citation omitted). Because the ALJ did not rely on NYHA criteria in
15 making her finding, Defendant’s *post hoc* argument is without merit. The Court concludes the
16 ALJ’s first reason for rejecting Dr. Hwang’s assessment is invalid.

17 Second, the ALJ discounted Dr. Hwang’s opinion because his treatment records “show
18 no evidence of neuropathy[.]” AR 27. As stated above, an ALJ need not accept a medical
19 opinion that is unsupported by clinical findings. *Bayliss*, 427 F.3d at 1216 (citing *Tonapetyan*,
20 242 F.3d at 1149). But an ALJ cannot reject a medical opinion for lacking support where the
21 record contains supporting treatment notes. *See Garrison v. Colvin*, 759 F.3d 995, 1014 n. 17
22 (9th Cir. 2014); *see also Esparza v. Colvin*, 631 Fed. Appx. 460, 462 (9th Cir. 2015). In this case,
23 Dr. Hwang is one of Plaintiff’s treating physicians and the record contains treatment notes and
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1 objective testing from the clinic where Dr. Hwang practices. *See, e.g.*, AR 629-870, 897-953,
2 1001-82. These treatment notes indicate Plaintiff experienced foot pain and numbness, and that
3 providers at the clinic noted the symptoms could be due to neuropathy. *See, e.g.*, AR 1026-27 (“he
4 is limited to walking 4 to 8 blocks before his feet go numb”; “[h]e has some neuropathic
5 symptoms”), 1036-37 (same), 1041 (noting diagnoses of “[p]eripheral neuropathy” and right foot
6 pain); *see also* AR 734, 929, 992-93, 995, 1003, 1007, 1012, 1016, 1017, 1022, 1064. Considering
7 the multiple treatment notes and observations from other providers at Dr. Hwang’s clinic about
8 foot pain, foot numbness, and neuropathy, the ALJ’s finding that Dr. Hwang’s records show “no
9 evidence” of neuropathy is not supported by substantial evidence. *See Garrison*, 759 F.3d at 1013
10 (a treating physician’s opinion cannot be rejected for lacking support if the opinion reflects and
11 is consistent with treatment notes in the record).

12 Additionally, the Court notes Dr. Hwang only cited Plaintiff’s neuropathy as causing the
13 opined pushing and pulling limitations. *See* AR 1156. For the remainder of his opined
14 limitations, including his opinion that Plaintiff is limited to sedentary work, Dr. Hwang found
15 these limitations supported by Plaintiff’s “ongoing” symptoms related to his “chest pains.” *See*
16 AR 1155. The ALJ did not explain how Dr. Hwang’s records allegedly lacking “evidence of
17 neuropathy” undermines his opinion about the limitations he found supported by Plaintiff’s chest
18 pains. *See* AR 27; *Treichler v. Comm’r of Soc. Sec. Admin.*, 775 F.3d 1090, 1103 (9th Cir. 2014)
19 (citation omitted) (“the ALJ must provide some reasoning in order for us to meaningfully
20 determine whether the ALJ’s conclusions were supported by substantial evidence”). Thus, the
21 ALJ’s second reason for rejecting Dr. Hwang’s opinion is not legitimate and lacks support from
22 substantial evidence in the record.

1 Third, the ALJ determined Dr. Hwang's records "do not support the drastic limitations he
2 notes in this assessment." AR 27. An ALJ, however, cannot reject a physician's opinion in a
3 vague or conclusory manner. *See Garrison*, 759 F.3d at 1012-13 (citing *Nguyen v. Chater*, 100
4 F.3d 1462, 1464 (9th Cir. 1996)); *Embrey*, 849 F.2d at 421-22. Instead, the ALJ must state her
5 interpretations and explain why they, rather than the physician's interpretations, are correct. *See*
6 *Embrey*, 849 F.2d at 421-22.

7 Here, the ALJ summarily stated Dr. Hwang's records do not support "the drastic
8 limitations" he opined. *See* AR 27. But the ALJ failed to provide her interpretation of the
9 evidence and explain how she found Dr. Hwang's records fail to support his limitations. Because
10 the ALJ failed to explain why her interpretations, rather than Dr. Hwang's interpretations, are
11 correct, this is not a specific, legitimate reason to reject Dr. Hwang's findings. *See McAllister v.*
12 *Sullivan*, 888 F.2d 599, 602 (9th Cir. 1989) (an ALJ's rejection of a physician's opinion on the
13 ground that it was contrary to the record was "broad and vague, failing to specify why the ALJ
14 felt the treating physician's opinion was flawed").

15 For the above stated reasons, the ALJ failed to provide any specific, legitimate reason,
16 supported by substantial evidence, to give Dr. Hwang's opinion little weight. Accordingly, the
17 ALJ erred.

18 Harmless error principles apply in the Social Security context. *Molina v. Astrue*, 674 F.3d
19 1104, 1115 (9th Cir. 2012). An error is harmless if it is not prejudicial to the claimant or
20 "inconsequential" to the ALJ's "ultimate nondisability determination." *Stout v. Comm'r of Soc.*
21 *Sec. Admin.*, 454 F.3d 1050, 1055 (9th Cir. 2006); *see also Molina*, 674 F.3d at 1115. The
22 determination as to whether an error is harmless requires a "case-specific application of
23 judgment" by the reviewing court, based on an examination of the record made "without regard
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1 to errors' that do not affect the parties' 'substantial rights.'" *Molina*, 674 F.3d at 1118-1119
2 (quoting *Shinseki v. Sanders*, 556 U.S. 396, 407 (2009)).

3 In this case, had the ALJ properly considered Dr. Hwang's opinion, the RFC and
4 hypothetical questions posed to the vocational expert ("VE") may have contained additional
5 limitations. For example, the RFC and hypothetical questions may have limited Plaintiff to
6 performing sedentary work and contained postural and environmental restrictions. *See* AR 1155,
7 1157. Notably, the ALJ limited Plaintiff to performing light work and did not consider any
8 postural or environmental restrictions. *See* AR 24, 64-66. Hence, if limitations reflecting Dr.
9 Hwang's findings were included in the RFC and the hypothetical questions posed to the VE, the
10 ultimate disability determination may have changed. Therefore, the ALJ's failure to properly
11 consider Dr. Hwang's opinion was not harmless and requires reversal. *See Molina*, 674 F.3d at
12 1117 (an error is not harmless if it "alters the outcome of the case").

13 B. Dr. Palasi

14 Next, Plaintiff asserts the ALJ failed to provide specific and legitimate reasons to reject
15 opinion evidence from non-examining medical consultant, Dr. Palasi. Dkt. 10, pp. 13-14.

16 Dr. Palasi conducted a review of the medical evidence on April 8, 2015. AR 956-60. Dr.
17 Palasi opined Plaintiff is markedly limited with environmental/non-exertional restrictions, postural
18 restrictions, and in his gross or fine motor skill restrictions. AR 959. Further, Dr. Palasi determined
19 Plaintiff is moderately limited in his ability to be aware of normal hazards and take appropriate
20 precautions. AR 959. She found Plaintiff limited to lifting up to ten pounds, sitting for most of the
21 day, and walking or standing for brief periods. AR 959. Dr. Palasi determined Plaintiff can
22 frequently lift or carry small articles. AR 959. She found Plaintiff cannot stand 6 out of 8 hours in a
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1 day or sit for prolonged periods with occasional pushing or pulling of arm or leg controls. AR 959.

2 Overall, Dr. Palasi opined Plaintiff is limited to sedentary work. AR 959, 960.

3 The ALJ assigned “little weight” to Dr. Palasi’s opinion for two reasons:

4 (1) The opinion is inconsistent with the claimant’s own statements from around this
5 time indicating an ability to walk up to seven miles per day. (2) Dr. Palasi’s opinion
6 is also inconsistent with the findings in the treatment notes showing that the
7 claimant did well following his heart attack and maintained sobriety.

8 AR 27 (numbering added).

9 First, the ALJ rejected Dr. Palasi’s opinion because she found the opined limitations
10 inconsistent with Plaintiff’s statements “from around this time” indicating he could walk up to
11 seven miles per day. AR 27. An ALJ “may reject the opinion of a non-examining physician by
12 reference to specific evidence in the medical record.” *Sousa v. Callahan*, 143 F.3d 1240, 1244 (9th
13 Cir. 1998) (citations omitted). Here, however, the record fails to support the ALJ’s finding. Dr.
14 Palasi conducted her review of the medical evidence in April 2015. *See* AR 956. The record shows
15 that on July 14, 2015, Dr. Schwartz wrote Plaintiff “can walk 5 to 7 miles daily with his dog when
16 feeling well,” but when he experiences pain “flare” ups, he must “cut back” on his walking. AR
17 934. Thereafter, on September 14, 2015, Plaintiff reported that he could only “walk short
18 distances.” AR 929. Plaintiff likewise reported to a medical provider on September 27, 2015 that
19 he could ambulate but after standing for “minutes,” he feels worsening back pain and a diminished
20 sensation in his legs and feet which make it “too challenging to stand.” AR 925. Similarly, in a
21 function report from 2015, Plaintiff reported that his back and foot pain limit his ability to walk
22 and he needed to take breaks between one-to-ten minutes long while walking. AR 312. Plaintiff
23 also reported in 2016 that he was “limited to walking 4 to 8 blocks before his feet go numb.” AR
24 1026.

1 Hence, as the ALJ overlooked records to the contrary, substantial evidence does not
2 support the ALJ's finding that Plaintiff reported he could walk up to seven miles per day around
3 the time Dr. Palasi rendered her opinion. *See Attmore v. Colvin*, 827 F.3d 872, 875 (9th Cir. 2016)
4 (quoting *Tackett v. Apfel*, 180 F.3d 1094, 1098 (9th Cir. 1999) (the Court "cannot affirm . . .
5 'simply by isolating a specific quantum of supporting evidence,' but 'must consider the record as a
6 whole, weighing both evidence that supports and evidence that detracts from the [Commissioner's]
7 conclusion'").

8 Second, the ALJ rejected Dr. Palasi's opined limitations because she found the opinion
9 inconsistent with treatment notes showing Plaintiff "did well" after his heart attack and his
10 maintained sobriety. AR 27. Defendant does not argue, nor does the Court find, this reason is
11 sufficiently specific to adequately reject Dr. Palasi's opinion. *See* Dkt. 11, p. 7; *see also Blakes v.*
12 *Barnhart*, 331 F.3d 565, 569 (7th Cir. 2003) ("We require the ALJ to build an accurate and
13 logical bridge from the evidence to her conclusions so that we may afford the claimant
14 meaningful review of the SSA's ultimate findings.").

15 The ALJ failed to properly reject Dr. Palasi's opined limitations. Had the ALJ properly
16 considered Dr. Palasi's opinion, the RFC and hypothetical questions posed to the VE may have
17 further limited Plaintiff, such as by providing Plaintiff can perform sedentary work. Because the
18 ultimate disability determination may have changed with proper consideration of Dr. Palasi's
19 opinion, the ALJ's error is not harmless.

20 C. Dr. Schwartz

21 Plaintiff also argues the ALJ failed to properly consider four opinions from Dr. Schwartz,
22 who is one of Plaintiff's treating physicians. Dkt. 10, pp. 7-12.
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1 In Dr. Schwartz's first opinion, rendered on April 2, 2015, she opined Plaintiff's HIV status
2 markedly interfered with his ability to sit and stand. AR 523. Dr. Schwartz found Plaintiff's
3 depression markedly affected his ability to communicate in the work place. AR 523. Additionally,
4 Dr. Schwartz determined diarrhea moderately interfered with Plaintiff's ability to sit and stand. AR
5 523. Dr. Schwartz opined Plaintiff could perform sedentary work. AR 524. Dr. Schwartz attached
6 diagnostic test results and examinations of Plaintiff as support for her opinion. *See* AR 523, 525-
7 37.

8 In her second opinion, provided on July 14, 2015, Dr. Schwartz opined Plaintiff would
9 have noticeable difficulty – defined as being “unproductive and distracted from job activity” – for
10 no more than 10% of the workday in his ability to work in coordination with or proximity to
11 others, make simple work-related decisions, ask simple questions or request assistance, and travel
12 in unfamiliar places or use public transportation. AR 871-72. Dr. Schwartz determined Plaintiff
13 would have noticeable difficulty for 11-20% of the workday or workweek in several areas,
14 including in his ability to remember locations and work-like procedures; understand and remember
15 very short, simple instructions; and understand and remember detailed instructions. AR 871. She
16 likewise rated Plaintiff at this level in his ability to carry out very short and simple instructions,
17 carry out detailed instructions, maintain attention and concentration for extended periods, and
18 sustain an ordinary routine without special supervision. AR 871. Further, Dr. Schwartz opined
19 Plaintiff would have noticeable difficulty for 11-20% of the workday or workweek in his ability to
20 interact with the general public, respond appropriately to changes in the work setting, get along
21 with coworkers or peers without distracting them or exhibiting behavior extremes, and be aware of
22 normal hazards and take appropriate precautions. AR 872.

1 Dr. Schwartz found Plaintiff would have noticeable difficulty for more than 20% of the
2 workday or workweek in his ability to perform activities within a schedule, maintain regular
3 attendance, and/or be punctual within customary tolerances. AR 871. Similarly, she rated Plaintiff
4 at this level of difficulty in his ability to maintain socially appropriate behavior and adhere to basic
5 standards of neatness and cleanliness, and in his ability to set realistic goals or make plans
6 independently of others. AR 872. She opined Plaintiff would be unable to complete a normal
7 workday and workweek without interruptions from psychological symptoms and perform at a
8 consistent pace without an unreasonable number and length of rest periods. AR 871.

9 In her third opinion form, also completed on July 14, 2015, Dr. Schwartz remarked that
10 Plaintiff had marked difficulty completing tasks in a timely manner due to deficiencies in
11 concentration, persistence, or pace. AR 883. She noted Plaintiff “frequently” experienced
12 symptoms that interfere with attention and concentration. AR 884. Moreover, Dr. Schwartz opined
13 Plaintiff would be unable to perform or be exposed to fast paced tasks, work hazards, and routine,
14 repetitive tasks at a consistent pace. AR 884. She determined Plaintiff could walk up to 5 miles
15 without pain, continuously sit and stand for 2 hours at a time, and sit and stand/walk for 4 hours
16 each in an 8-hour workday. AR 895. Dr. Schwartz opined Plaintiff may need six unscheduled
17 breaks to rest during an average workday, for 30 minutes each time. AR 884. Plaintiff could
18 frequently lift and carry 10 pounds or less and rarely lift and carry 20 pounds or more. AR 884-85.
19 In addition, Dr. Schwartz opined Plaintiff would have noticeable difficulty for no more than 10%
20 of the workday in several areas, including his ability to understand, remember, and carry out very
21 short and simple instructions; deal with normal work stress; and respond appropriately to changes
22 in a routine work setting. AR 885-86. Dr. Schwartz determined Plaintiff would have noticeable
23 difficulty for more than 20% of the workday in his ability to complete a normal workday and
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1 | workweek without interruption from psychological symptoms, and perform routine repetitive work
2 | at a consistent pace without an unreasonable number and length of rest periods. AR 885.

3 | In her final assessment, rendered on November 7, 2017, Dr. Schwartz again opined
4 | Plaintiff was limited to performing sedentary work. AR 1147. She wrote that she based her
5 | assessment on Plaintiff's "mechanical low back pain, neuropathy, HIV with chronic fatigue,
6 | coronary artery disease, [and] depression." AR 1147. Dr. Schwartz opined Plaintiff could stand and
7 | walk for less the 2 hours in an 8-hour workday due to his back pain, neuropathy, HIV with fatigue,
8 | coronary artery disease, and depression. AR 1148. She determined that, based on these conditions,
9 | Plaintiff must periodically alternate between sitting and standing to relieve pain or discomfort. AR
10 | 1148. Similarly, Dr. Schwartz found Plaintiff limited in his lower and upper extremities due to
11 | "chronic pain, fatigue, and neuropathy," which she wrote "limit repetitive movements." AR 1148.
12 | Dr. Schwartz opined Plaintiff could never climb or crouch, though he could occasionally balance,
13 | stoop, kneel, crawl, and handle/manipulate. AR 1149. Plaintiff was limited in his ability to feel and
14 | be exposed to heights, moving machinery, temperature extremes, chemicals, noise, fumes,
15 | humidity, and vibrations. AR 1149. Dr. Schwartz noted at the end of her opinion that, in addition to
16 | his physical limitations, Plaintiff "has great difficulty concentrating and focusing, which has [sic]
17 | been a barrier for him working." AR 1150.

18 | The ALJ gave "little weight" to all of Dr. Schwartz's opinions for five reasons:

19 | (1) Dr. Schwartz states that the claimant is limited to sedentary work and has
20 | significant mental health problems with difficulty with understanding, memory,
21 | concentration, social functioning, and adaptation. However, her treatment notes
22 | contain no objective findings regarding the claimant's mental health. (2) Notably,
23 | Dr. Meis's consultative evaluations done a month after Dr. Schwartz's [mental
24 | assessment in July 2015] show the claimant to have intact concentration,
persistence, pace, and memory, and no significant mental health impairment. (3)
Similarly, Dr. Schwartz's claim in April 2015 opining that the claimant is limited to
sedentary work is not consistent with his reported activity around that time
indicating that he was walking up to 7 miles per day. (4) Dr. Schwartz's opinion in

1 November 2017 finding that the claimant was limited to sedentary work is based on
2 mechanical lower back pain and neuropathy, however, he reported improvement in
3 his back pain in 2016 and has not had any ongoing treatment for this issue. As
4 discussed in detail above, neuropathy is not a medically determinable impairment in
5 this case and Dr. Schwartz's own treatment notes show that she was not even sure
6 what his diagnosis was with regard to his feet. While Dr. Schwartz opined that the
7 claimant needed to alternate between sitting and standing to relieve pain,
8 subsequent records show no ongoing complaints of back or foot pain after 2016. (5)
9 Although Dr. Schwartz is a treating source, her opinions are not consistent with her
10 own treatment notes. While she opines that the claimant has fatigue and
11 concentration problems that limit his work capacity, her own treatment notes show
12 no such complaints and contain no testing for concentration problems.

13 AR 27 (numbering added).

14 First, the ALJ rejected Dr. Schwartz's opinions because she found the doctor's treatment
15 notes contain "no objective findings" on Plaintiff's mental health. AR 27. As previously stated, an
16 ALJ may reject an opinion that is "inadequately supported by clinical findings." *Bayliss*, 427
17 F.3d at 1216 (citation omitted). But the ALJ's finding here overlooks observations Dr. Schwartz
18 made about Plaintiff's mental health. On December 11, 2014, Dr. Schwartz noted Plaintiff "had
19 feelings of hopelessness," trouble sleeping, and missed some cardiac rehabilitation appointments.
20 AR 747. Dr. Schwartz diagnosed Plaintiff with depression, prescribed medication, and referred
21 him for a psychiatric consult. AR 747, 748. At an appointment on January 5, 2015, Dr. Schwartz
22 noted Plaintiff did not feel like the medication was helping his depression. AR 744, 745.
23 Although Dr. Schwartz suggested increasing the dosage, Plaintiff preferred to stop taking the
24 medication. AR 744, 745. Plaintiff continued to have trouble sleeping and getting out of bed and
would not check his voicemail. AR 744. Dr. Schwartz also observed Plaintiff was "[a]ngry and
frustrated" with his apartment manager. AR 744. At this visit, Dr. Schwartz found Plaintiff had
an anxious affect. AR 746. On July 14, 2015, the day Dr. Schwartz completed two of her
evaluation forms, she noted Plaintiff "still feels low" and was seeing a therapist. AR 934. As the
record contains mental health observations from Dr. Schwartz, the ALJ's determination that Dr.

1 Schwartz made “no objective findings” on Plaintiff’s mental health lacks support from
2 substantial evidence in the record. *See Burrell v. Colvin*, 775 F.3d 1133, 1140 (9th Cir. 2014)
3 (ALJ erred in finding a source’s opinion was supported by “little explanation” where the ALJ
4 overlooked relevant notes).

5 Second, the ALJ discounted Dr. Schwartz’s opinions because the consultative evaluation
6 completed by Dr. Peter Meis, M.D, one month after Dr. Schwartz’s mental health assessments
7 showed Plaintiff with “intact” findings and “no significant mental health impairment.” AR 27.
8 An ALJ may also discount an opinion which is inadequately supported by, or inconsistent with,
9 the record. *See Batson*, 359 F.3d at 1195. Yet as previously stated, a conclusory finding by the
10 ALJ is insufficient to reject a physician’s opinion. *See Embrey*, 849 F.2d at 421-22.

11 In this case, the ALJ noted that Dr. Meis’s evaluation showed Plaintiff with “intact”
12 findings and “no significant mental health impairment.” AR 27. Nonetheless, the ALJ failed to
13 offer any rationale as to how Dr. Meis’s observations undermine Dr. Schwartz’s opinions. The
14 ALJ “merely states” these facts about Dr. Mesis’s evaluation “point toward an adverse
15 conclusion” but “makes no effort to relate any of these” facts to “the specific medical opinions
16 and findings [she] rejects.” *Embrey*, 849 F.2d at 421. “This approach is inadequate.” *Id.* Without
17 more, this is not a specific, legitimate reason, supported by substantial evidence in the record, to
18 discount Dr. Schwartz’s opinions. *See Brown-Hunter v. Colvin*, 806 F.3d 487, 492 (9th Cir.
19 2015) (“the agency [must] set forth the reasoning behind its decisions in a way that allows for
20 meaningful review”).

21 Further, by rejecting Dr. Schwartz’s opinions in light of findings from Dr. Meis, the ALJ
22 gave greater weight to Dr. Meis’s evaluation without explanation as to why it is more persuasive
23 than Dr. Schwartz’s opinions. The fact Dr. Schwartz’s opinion is inconsistent with Dr. Meis’s
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1 opinion shifts the standard of review for giving less weight to Dr. Schwartz's opinion from clear
2 and convincing to specific and legitimate reasons, but does not eliminate the need for the ALJ to
3 provide a proper reason to reject the opinion. *See Garrison*, 759 F.3d at 1012-13 (an ALJ errs
4 when she rejects a medical opinion or assigns it little weight when asserting without explanation
5 another medical opinion is more persuasive). Therefore, in all, the ALJ's second reason for
6 rejecting Dr. Schwartz's opinions is insufficient because it is conclusory and gave preference to Dr.
7 Meis's evaluation without explanation.

8 Third, the ALJ gave little weight to Dr. Schwartz's opinions because she found Dr.
9 Schwartz's opinion that Plaintiff is limited to sedentary work inconsistent with his reports in 2015
10 that he was walking up to seven miles per day. AR 27. Although the record indicates Plaintiff
11 sometimes reported walking several miles per day, Plaintiff – as explained with respect to Dr.
12 Palasi – reported throughout 2015 that he could only walk “short distances” due to pain. *See* AR
13 929; *see also* AR 312, 934, 1026. Because the ALJ's finding that Plaintiff reported he could walk
14 up to seven miles per day failed to consider records indicating otherwise, the ALJ's reasoning is
15 not supported by substantial evidence.

16 Fourth, the ALJ rejected Dr. Schwartz's opinions because, while Dr. Schwartz opined that
17 Plaintiff was limited to sedentary work and needed to alternate between sitting and standing due to
18 lower back pain and neuropathy, the ALJ found these conditions unsupported by the record. An
19 ALJ may reject a treating physician's opinion due to an “inconsistency with the treatment record.”
20 *Green v. Berryhill*, 731 Fed. Appx. 596, 598 (9th Cir. 2018) (citing *Ghanim v. Colvin*, 763 F.3d
21 1154, 1161-62 (9th Cir. 2014)). Nonetheless, the ALJ's finding here is not legitimate. The ALJ's
22 reasoning implies that Dr. Schwartz opined Plaintiff could perform sedentary work based *only* due
23 to lower back pain and neuropathy. *See* AR 27. Dr. Schwartz expressly stated, however, that she
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1 also based these limitations on Plaintiff's HIV with chronic fatigue, coronary artery disease, and
2 depression. AR 1147-48. These conditions are documented throughout Plaintiff's treatment record
3 by Dr. Schwartz and others at her clinic through 2017. *See, e.g.*, AR 740-41, 744, 929, 934, 939-
4 40, 1002-03, 1006 1016-17, 1027,1050-51 ,1053, 1055, 1064. Moreover, while the ALJ wrote that
5 she found neuropathy to be not medically determinable, the Court notes that – as discussed above –
6 treatment notes from Dr. Schwartz and others at her clinic frequently indicate that Plaintiff
7 experienced foot pain, numbness, and neuropathic symptoms. *See, e.g.*, AR 734, 929, 992-93, 995,
8 1003, 1007, 1012, 1016-17, 1022, 1026-27, 1036-37, 1064.

9 Hence, given that Dr. Schwartz opined Plaintiff is limited to sedentary work due conditions
10 in addition to his back pain and neuropathy, the ALJ's fourth reason for rejecting Dr. Schwartz's
11 opinions is not legitimate. *See Garrison*, 759 F.3d 995, 1017 n.23 (quoting *Scott v. Astrue*, 647
12 F.3d 734, 739-40 (7th Cir. 2011)) (an ALJ is "not permitted to 'cherry pick'" the record to support
13 a denial of benefits).

14 In the fifth and final reason for discounting Dr. Schwartz's opinion, the ALJ remarked
15 that while Dr. Schwartz opines Plaintiff "has fatigue and concentration problems that limit his
16 work capacity, her own treatment notes show no complaints and contain no testing for
17 concentration problems." AR 27. Again, the ALJ's finding lacks support from substantial
18 evidence in the record. Dr. Schwartz observed on several occasions that Plaintiff experienced
19 fatigue and difficulty sleeping at night. *See, e.g.*, AR 744, 747, 750, 1001-02, 1006-07, 1011-12,
20 1016-18, 1021-23, 1027.

21 Further, the Court acknowledges that ALJ accurately noted that Dr. Schwartz's treatment
22 notes contain no testing for concentration problems. Nevertheless, Dr. Schwartz expressly opined
23 that she found Plaintiff has difficulties in concentration due to his difficulty with household
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1 chores, brushing his teeth, and shaving. *See* AR 883; *see also* AR 873 (Dr. Schwartz noting
2 Plaintiff is “limited [in] his ability to . . . complete simple tasks. He is having difficulties
3 completing simple tasks at home.”). Thus, considering the context of Dr. Schwartz’s opined
4 limitations and the errors above, the Court finds the ALJ’s final reason for rejecting Dr.
5 Schwartz’s opinion is not based on substantial evidence in the record as a whole. If the ALJ
6 intends to reject these limitations on remand due to a lack of support from objective testing, the
7 ALJ is directed to explain her reasoning in light of Dr. Schwartz’s notes that she based these
8 limitations on Plaintiff’s difficulty with household chores and self-care. *See* AR 873, 883; *see*
9 *also Embrey*, 849 F.2d at 421-22 (citation omitted) (“[I]t is incumbent on the ALJ to provide
10 detailed, reasoned, and legitimate rationales for disregarding the physicians’ findings.”).

11 The ALJ failed to provide any specific and legitimate reason, supported by substantial
12 evidence, for rejecting Dr. Schwartz’s opined limitations. The RFC and hypothetical questions
13 posed to the VE may have contained greater limitations with proper consideration of Dr.
14 Schwartz’s opinions. For example, these items may have limited Plaintiff to performing sedentary
15 work. *See* AR 524, 1147. The RFC and hypothetical questions may have also contained limitations
16 reflecting Dr. Schwartz’s opined mental restrictions. *See* AR 871-73, 883-86. Hence, given that
17 the ultimate disability determination may have changed with proper consideration of Dr.
18 Schwartz’s opinions, the ALJ’s errors are not harmless.

19 D. Dr. Bowes

20 Plaintiff contends the ALJ erred in her assessment of the medical opinion evidence from
21 examining psychologist Dr. Bowes. Dkt. 10, pp. 3-5.

22 Dr. Bowes completed a psychological/psychiatric evaluation of Plaintiff on March 22,
23 2017. *See* AR 1083-94. Dr. Bowes’ evaluation included reviewing a prior psychological evaluation
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1 and conducting a clinical interview, mental status examination, trail-making tests, Beck Depression
2 Inventory (“BDI”), and Beck Anxiety Inventory (“BAI”). *See* AR 1083-94. After stating her
3 clinical findings, Dr. Bowes diagnosed Plaintiff with persistent depressive disorder, moderate-
4 severe severity. AR 1085. Dr. Bowes opined Plaintiff has moderate limitations in four areas of
5 basic work activities: the ability to understand, remember, and persist in tasks by following very
6 short and simple instructions; the ability to learn new tasks; the ability to perform routine task
7 without special supervision; and the ability to adapt to changes in a routine work setting. AR 1086.
8 Additionally, Dr. Bowes found Plaintiff markedly limited in his ability to understand, remember,
9 and persist in tasks by following detailed instructions, communicate and perform effectively in a
10 work setting, and maintain appropriate behavior in a work setting. AR 1086. Dr. Bowes found
11 Plaintiff markedly limited in his ability to complete a normal workday and workweek without
12 interruptions from psychologically based symptoms. Finally, Dr. Bowes determined Plaintiff is
13 severely limited in his ability to perform activities within a schedule, maintain regular attendance,
14 and be punctual within customary tolerances without special supervision. AR 1086. In all, Dr.
15 Bowes rated Plaintiff’s severity based on his mental impairments at the marked level. AR 1086.

16 The ALJ assigned “little weight” to Dr. Bowes’ opinion for four reasons:

17 (1) [Dr. Bowes’] opined limitations are inconsistent with her mental status
18 evaluations of the claimant showing that he had adequate eye contact, fair
19 grooming, was cooperative, and performed within normal limits on mental status
20 testing. (2) While Dr. Bowes noted that the claimant was “depressed” she provided
21 no explanation as to how this finding translated to marked and severe limitations.
22 (3) There are minimal contemporaneous treatment notes from around the time of
23 this evaluation, but the records overall show few notations by Dr. Schwartz, who
24 saw the claimant regularly, of any mental health symptoms or concerns. If the
claimant’s functioning was at the marked level, it stands to reason that Dr. Schwartz
would express some concern over his mental functioning. (4) Instead, there are no
treatment notes documenting any concern about the claimant’s mental health until
Dr. Kang’s notes in September 2017, which have few objective findings other than
his report that he was not doing much. However, during that time, the claimant
reports that he was still engaging in social activities with groups of friends.

1 AR 22-23.

2 First, the ALJ gave Dr. Bowes' opinion little weight because she found it inconsistent with
3 the normal results on Dr. Bowes' mental status examination. AR 22. The ALJ's reasoning again
4 lacked sufficient explanation. Although the ALJ accurately described some findings from the
5 mental status examination, she failed to explain how these findings undermine Dr. Bowes' opined
6 limitations. *See* AR 22. As such, this reason is not sufficiently specific to reject Dr. Bowes'
7 opinion. *Embrey*, 849 F.2d at 421 (an ALJ errs when he states a medical opinion is contrary to
8 objective findings without further explanation).

9 Moreover, the ALJ's description of Dr. Bowes' evaluation overlooks abnormal
10 observations she made which may support her opined limitations. For example, the clinical
11 interview Dr. Bowes performed revealed that Plaintiff experienced physical and mental abuse in
12 his childhood. *See* AR 1083. Plaintiff's BDI indicated severe depression, and his BAI indicated
13 moderate anxiety. AR 1085. In her clinical findings, Dr. Bowes noted that Plaintiff had a history
14 of "chronic" depressive episodes over the last 2-3 years. AR 1085. Plaintiff reported sadness,
15 tearfulness, anhedonia, lack of energy and motivation, sleep disturbance, hopelessness,
16 worthlessness, social isolation, irritability, and passive suicidal ideation. AR 1085. Dr. Bowes
17 also observed that Plaintiff experienced anxiety, finding him "easily overwhelmed by
18 tasks/performance." AR 1085. In addition, Dr. Bowes noted that Plaintiff experienced difficulties
19 with concentration, and Plaintiff's mood in the mental status examination was depressed. AR
20 1085, 1087.

21 As the ALJ failed to provide her interpretation of the evidence and overlooked supporting
22 findings, the ALJ's first reason for rejecting Dr. Bowes is not specific and legitimate nor
23 supported by substantial evidence in the record. *See Burrell*, 775 F.3d at 1140; *see also Julie F.*
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1 *K. v. Berryhill*, 2019 WL 1429611, at *5 (C.D. Cal. Mar. 29, 2019) (an ALJ errs when she faults
2 a physician “for failing to provide supporting objective evidence, but a review of [the record]
3 shows documented findings supporting” the physician’s opinion).

4 Second, the ALJ discounted Dr. Bowes’ opinion because, although Dr. Bowes noted
5 Plaintiff was “depressed,” Dr. Bowes “provided no explanation as to how this finding translated
6 to marked and severe limitations.” AR 23. An ALJ may “permissibly reject[] ... check-off reports
7 that [do] not contain any explanation of the bases of their conclusions.” *Molina*, 674 F.3d at 1111-
8 12 (internal quotation marks omitted) (quoting *Crane v. Shalala*, 76 F.3d 251, 253 (9th Cir.1996)).
9 But “opinions in check-box form can be entitled to substantial weight when adequately supported.”
10 *Neff v. Colvin*, 639 Fed. Appx. 459 (9th Cir. 2016) (internal quotation marks omitted) (citing
11 *Garrison*, 759 F.3d at 1013).

12 In this case, Dr. Bowes provided her opinion on a Washington State Department of Social
13 and Health Services evaluation form. *See* AR 1083-94. Dr. Bowes’ opinion form included – as
14 described above – notes from her clinical interview, Plaintiff’s scores from the BDI and BAI, and
15 Dr. Bowes’ clinical findings. *See* AR 1083-94. As Dr. Bowes’ opinion included testing and
16 relevant results, the ALJ’s finding that Dr. Bowes “provided no explanation” for the opined
17 limitations is not supported by substantial evidence. *See Buck v. Berryhill*, 869 F.3d 1040, 1049
18 (9th Cir. 2017) (clinical interviews “are objective measures”); *Bayliss v. Colvin*, 2014 WL
19 4384076, at *3-4 (W.D. Wash. Sept. 4, 2014) (ALJ erred in finding an examining physician’s
20 opinion lacked support from objective evidence where the ALJ failed to consider the BAI score,
21 BDI score, and the physician’s clinical findings); *Smith v. Astrue*, 2012 WL 5511722, at *6 (W.D.
22 Wash. Oct. 25, 2012) (ALJ improperly rejected an examining physician’s opinion as a “check-off”
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1 report where the physician “conducted a clinical interview, [and] report[ed] his findings and
2 observations” in the report).

3 Third, the ALJ rejected Dr. Bowes’ opinion because Dr. Schwartz, who Plaintiff was
4 seeing “regularly,” recorded “few notations” of mental health symptoms or concerns. AR 23. An
5 ALJ can discount a medical opinion if there are inconsistencies between that opinion and
6 contemporaneous treatment records. *Parent v. Astrue*, 521 Fed. Appx. 604, 608 (9th Cir. 2013)
7 (citing *Carmickle v. Comm’r of Soc. Sec. Admin.*, 533 F.3d 1155, 1165 (9th Cir. 2008)). But as
8 previously explained, “an ALJ errs when [she] rejects a medical opinion or assigns it little weight
9 while . . . asserting without explanation that another medical opinion is more persuasive[.]”
10 *Garrison*, 759 F.3d at 1012-13. Here, the ALJ failed to explain why she found Dr. Schwartz’s
11 treatment notes more persuasive than Dr. Bowes’ objective tests and opinions about Plaintiff. *See*
12 AR 23; *Garrison*, 759 F.3d at 1012-13. Further, the record reflects Plaintiff only saw Dr. Schwartz
13 on two occasions in 2017 and both times were prior to Dr. Bowes’ evaluation. *See* AR 1001-05,
14 1006-10. Thus, the record does not necessarily reflect Dr. Schwartz was “regularly” seeing
15 Plaintiff at this time or that Dr. Bowes’ opinion necessarily contradicts Dr. Schwartz’s treatment
16 notes. Accordingly, given the ALJ’s lack of explanation and the context of Dr. Schwartz’s
17 treatment notes, the ALJ erred. *See Reddick*, 157 F.3d at 725 (an ALJ can provide specific and
18 legitimate reasons “by setting out a detailed and thorough summary of the facts and conflicting
19 clinical evidence, stating [her] interpretation thereof, and making findings”).

20 Fourth, the ALJ assigned little weight to Dr. Bowes’ opinion because treatment notes
21 from mental health provider Dr. Supriya Kang, M.D., in 2017 contain “few objective findings
22 other than [Plaintiff’s] report that he was not doing much.” AR 23. While an ALJ can discount
23 an opinion for conflicting with contemporaneous treatment records, *see Parent*, 521 Fed. Appx.

1 at 608 (citation omitted), the ALJ's determination here lacks support from the record. Dr. Kang
2 made various objective findings relevant to Plaintiff's mental health. At his psychiatric intake
3 appointment with Dr. Kang on September 7, 2017, Dr. Kang observed Plaintiff had spontaneous
4 speech, a constricted affect, and a depressed mood. AR 1101-02. Likewise, on September 28,
5 2017, Dr. Kang noted that Plaintiff reported that he began making his bed daily but "only
6 shower[ed] once a week." AR 1098. Dr. Kang remarked that Plaintiff was tired in the daytime
7 and sometimes took two naps per day. AR 1098. On November 2, 2017, Dr. Kang wrote that
8 Plaintiff again reported difficulty sleeping. AR 1096. He observed Plaintiff with spontaneous
9 speech, a constricted affect, and an anxious/tense mood. AR 1097. Also, in direct contrast to the
10 ALJ's finding that there were "few" findings on Plaintiff's mental health in 2017, Plaintiff's
11 therapist Ms. Collins' documented several abnormal mental health observations throughout
12 2017. *See, e.g.*, AR 1116 (feelings of sadness, hopelessness, worthlessness; loss of concentration
13 and focus; increased isolation; passive suicidal ideation), AR 1120 (anxious, irritable mood), AR
14 1122 (anxious, depressed mood), AR 1124 (irritable, anxious, and depressed mood), AR 1142-43
15 (passive suicidal ideation; depressed mood). As such, the ALJ's determination that treatment
16 notes contemporaneous to Dr. Bowes' opinion contained "few objective findings" is not
17 supported by the record.² *See Reddick*, 157 F.3d at 722-23 ("In essence, the ALJ developed [her]
18 evidentiary basis by not fully accounting for the context of materials or all parts of the testimony
19 and reports. [Her] paraphrasing of record material is not entirely accurate regarding the content
20 or tone of the record.").

22 ² Further, to the extent the ALJ intended to reject Dr. Bowes' opinion due to inconsistencies about
23 Plaintiff's reported activities to Dr. Kang, the Court finds the ALJ failed to explain how any purported
24 inconsistencies in Dr. Kang's notes undermine Dr. Bowes' opinion. *See* AR 23; *Embrey*, 849 F.2d at 422 (an ALJ
cannot merely state facts she claims "point toward an adverse conclusion and make[] no effort to relate any of these
objective factors to any of the specific medical opinions and findings she rejects").

1 The ALJ failed to provide any specific, legitimate reason, supported by substantial
2 evidence, for giving Dr. Bowes' opinion little weight. Had the ALJ properly considered this
3 opinion, she may have included mental limitations in the RFC and hypothetical questions posed
4 to the VE. *See* AR 1086. Thus, the ALJ's errors are not harmless.

5 E. Ms. Collins

6 Plaintiff further challenges the ALJ's consideration of opinion evidence from Ms.
7 Collins, Plaintiff's treating therapist. Dkt. 10, pp. 5-7.

8 The Court has concluded the ALJ harmfully erred in considering opinion evidence from
9 Drs. Hwang, Palasi, Schwartz, and Bowes. As this case must be remanded, the Court declines to
10 consider whether the ALJ harmfully erred in her consideration of the opinion from Ms. Collins.
11 Rather, the Court instructs the ALJ to re-evaluate Ms. Collins' opinion on remand as necessitated
12 by her re-evaluation of the opinions from Drs. Hwang, Palasi, Schwartz, and Bowes.

13 **II. Whether the ALJ properly evaluated Plaintiff's depression at Step Two.**

14 Plaintiff argues the ALJ failed to properly consider his depression at Step Two of the
15 sequential evaluation process. Dkt. 10, pp. 14-18.

16 At Step Two, the ALJ found Plaintiff's depression to be a non-severe medically
17 determinable impairment. *See* AR 20-23. The ALJ discussed and discounted the opinion
18 evidence from Dr. Bowes and Ms. Collins at Step Two. AR 22-23. Both Dr. Bowes and Ms.
19 Collins opined Plaintiff has depression and related limitations in the workplace. *See* AR 1083-94,
20 1151-54. The Court has determined, however, the ALJ harmfully erred in her treatment of Dr.
21 Bowes' opinion, and has directed the ALJ to re-evaluate this opinion, and Ms. Collins' opinion,
22 on remand. Because Plaintiff will be able to present new evidence and testimony on remand, and
23 because the ALJ's reconsideration of the opinion evidence may impact her assessment of
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1 Plaintiff's impairments, the ALJ shall reconsider Plaintiff's severe impairments – including his
2 depression – at Step Two.

3 **III. Whether an award of benefits is appropriate.**

4 Lastly, Plaintiff requests the Court remand this case for an award of benefits. Dkt. 10, p.
5 18.

6 The Court may remand a case “either for additional evidence and findings or to award
7 benefits.” *Smolen v. Chater*, 80 F.3d 1273, 1292 (9th Cir. 1992). Generally, when the Court
8 reverses an ALJ's decision, “the proper course, except in rare circumstances, is to remand to the
9 agency for additional investigation or explanation.” *Benecke v. Barnhart*, 379 F.3d 587, 595 (9th
10 Cir. 2004) (citations omitted). However, the Ninth Circuit created a “test for determining when
11 evidence should be credited and an immediate award of benefits directed.” *Harman v. Apfel*, 211
12 F.3d 1172, 1178 (9th Cir. 2000). Specifically, benefits should be awarded where:

13 (1) the ALJ has failed to provide legally sufficient reasons for rejecting [the
14 claimant's] evidence, (2) there are no outstanding issues that must be resolved
15 before a determination of disability can be made, and (3) it is clear from the
record that the ALJ would be required to find the claimant disabled were such
evidence credited.

16 *Smolen*, 80 F.3d at 1292.

17 In this case, the Court has determined the ALJ committed harmful error and has directed
18 the ALJ to re-evaluate the opinion evidence from Drs. Hwang, Palasi, Schwartz, and Bowes, and
19 Ms. Bowes, and Plaintiff's impairments at Step Two. Because outstanding issues remain
20 regarding the medical evidence, Plaintiff's severe impairments, the RFC, and Plaintiff's ability to
21 perform jobs existing in significant numbers in the national economy, remand for further
22 consideration of this matter is appropriate.

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Dated this 1st day of August, 2019.

David W. Christel
United States Magistrate Judge